

Message Text

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PAGE 01 PORT A 03049 190408Z
ACTION ARA-14

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04
CEA-01 MMO-01 /083 W
-----093646 190550Z /14
R 190252Z AUG 77
FM AMEMBASSY PORT AU PRINCE
TO SECSTATE WASHDC 5911

LIMITED OFFICIAL USE PORT AU PRINCE 3049

E.O. 11652: N/A
TAGS: ECON, HA
SUBJECT: ECONOMIC ALERT REPORT

REF: STATE 180067

1. SUMMARY: MAJOR ECONOMIC PROBLEMS WHICH WOULD SIGNIFICANTLY AFFECT U.S. INTERESTS IN HAITI ARE NOT ANTICIPATED IN THE NEXT 12 MONTHS. THE ECONOMY IS RECOVERING FROM A SEVERE DROUGHT AND REMAINS VULNERABLE TO NATURAL DISASTERS. END SUMMARY
2. MAJOR ECONOMIC PROBLEMS.

HAITI'S MAJOR ECONOMIC PROBLEMS ARE CAUSED BY ITS CHRONIC AND INSTITUTIONAL UNDERDEVELOPMENT. POVERTY, OVERPOPULATION, ENVIRONMENTAL DETERIORATION, LACK OF RESOURCES, AND LOW PRODUCTIVITY ARE THE MAIN FACTORS. MOST OF THE POPULATION IS ENGAGED IN SUBSISTENCE AGRICULTURE AND THE COUNTRY IS INCREASINGLY UNABLE TO FEED ITSELF. GRAIN IMPORTS NOW AMOUNT TO ABOUT 200,000 TONS AND ARE INCREASING. A MAJOR DROUGHT AND POWER SHORTAGES IN THE SPRING OF 1977 CAUSED SEVERE HARDSHIP FOR MANY PEOPLE, REDUCED LIGHT INDUSTRIAL PRODUCTION, AND PROBABLY WILL LIMIT REAL GROWTH TO ABOUT 1 PER

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PAGE 02 PORT A 03049 190408Z

CENT THIS YEAR.

3. OUTLOOK FOR THE NEXT TWELVE MONTHS.

HAITI WILL BE RECOVERING FROM THE ONGOING DROUGHT FOR THE NEXT YEAR AND THE RATE OF RECOVERY WILL DEPEND LARGELY ON THE WEATHER. LIGHT INDUSTRY IS THE MOST

DYNAMIC SECTOR OF THE SOCIETY AND OUTPUT CONTINUES TO INCREASE. COFFEE IS HAITI'S MAJOR EXPORT AND HIGH WORLD PRICES ARE EXPECTED TO HELP KEEP THE BALANCE OF PAYMENTS IN SURPLUS THROUGH 1977. THE MAJOR ECONOMIC STIMULUS WILL CONTINUE TO BE THE FOREIGN ASSISTANCE EFFORT WHICH IS NOW VALUED AT ABOUT 8 PER CENT OF GNP.

4. CRITIICAL POINTS.

HAITI REMAINS EXTREMELY VULNERABLE TO THE RECURRING NATURAL DISASTERS. STRUCTURAL PROBLEMS INCLUDING POTENTIAL BALANCE OF PAYMENTS DEFICITS MERIT CONTINUED ATTENTION BUT WILL HAVE LITTLE IMPACT IN THE NEXT 12 MONTHS.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC REPORTS, ECONOMIC TRENDS
Control Number: n/a
Copy: SINGLE
Sent Date: 19-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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Executive Order: N/A
Errors: N/A
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From: PORT AU PRINCE
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770843/aaaabkly.tel
Line Count: 77
Litigation Code IDs:
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Litigation History:
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Original Classification: LIMITED OFFICIAL USE
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Review Content Flags:
Review Date: 28-Mar-2005 12:00:00 am
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Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1548004
Secure: OPEN
Status: NATIVE
Subject: ECONOMIC ALERT REPORT
TAGS: ECON, HA
To: STATE
Type: TE
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